Workers' Compensation Board

Annual Report

1986

The Workers' Compensation Board, established as an independent board in 1915, is responsible for administering the Workers' Compensation Act and Regulations of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment of health care expenses, payment for loss of wages that may result from the injury or disease, a wide range of vocational and medical rehabilitation services, permanent disability pensions, and death benefits to surviving dependents.

The Board also sponsors a wide variety of accident prevention activities and funds the 10 delivery agencies.

Colonel The Honourable Lincoln M. Alexander, P.C., K. St. J., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report of operations for 1986.

Robert G. Elgie, M.D., Q.C., Chairman

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Workers' Compensation Board

Commission des accidents du travail

WORKERS' COMPENSATION BOARD — SUMMARY OF OPERATIONS

Year Ended December 31, 1986

	1986 ($000's)	1985
Payroll upon which assessment revenue was based	*$58,611,000	*$52,228,000
Incidents reported as work injuries	442,080	426,880
SCHEDULE 1 OF THE ACT **SCHEDULE 1 BENEFITS PAID**		
Health care paid	$ 148,125	$ 138,889
Compensation paid	584,725	512,951
Rehabilitation paid	29,959	23,597
Pensions paid (Awarded 1986 – $364,233; 1985 – $314,480)	355,807	308,396
	$ 1,118,616	$ 983,833
SILICOSIS BENEFITS		
Health care paid	$ 128	$ 81
Compensation paid	212	84
Rehabilitation paid	—	—
Pensions paid (Awarded 1986 – $653; 1985 – $427)	4,051	3,947
	$ 4,391	$ 4,112
Total	$ 1,123,007	$ 987,945
Provision for increase in estimated present value of future payments to existing Schedule 1 claimants	1,304,000	1,130,000
Total benefits under Schedule 1 of the Act	$ 2,427,007	$ 2,117,945
SCHEDULE 2 OF THE WORKERS' COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT **SCHEDULE 2 BENEFITS PAID**		
Health care paid	$ 15,027	$ 14,137
Compensation paid	41,596	34,373
Rehabilitation paid	1,674	1,305
Pensions paid	39,780	34,416
	$ 98,077	$ 84,231
Compensation paid directly by Schedule 2 employers	25,185	26,350
Total benefits paid under Schedule 2	$ 123,262	$ 110,581
TOTAL BENEFITS – SCHEDULES 1 AND 2		
Total payments (exclusive of provision for increase above)	$ 1,246,269	$ 1,098,526
Provision for increase in estimated present value of future payments to existing Schedule 1 claimants	1,304,000	1,130,000
Total payments and provision for increase	$ 2,550,269	$ 2,228,526

*Estimated adjusted payroll

Chairman's Message

Robert G. Elgie, M.D., Q.C.

It is with great pleasure that I report on a year of significant achievement at the Workers' Compensation Board.

The year 1986 has been an exciting one on many fronts. The Board introduced its plan of full-scale reorganization into three service groups, to mark the beginning of a new era in integrated services for our clients.

With my first full year of tenure as chairman now behind me, I can report that it has been a privilege to work alongside the other members of our executive team in initiating our corporate changes and in forging more lasting links with the community. We have been most fortunate to have secured the services of our new vice-chairman of administration and president, Mr. Alan D. Wolfson. A noted economist and scholar, Mr. Wolfson's wealth of experience in government, labour and health policy has proven to be an invaluable asset to all of us at the Board.

As chairman, it has also been my pleasure to have worked throughout the year with our new Board of Directors — men and women representative of employers, workers, professionals and the public in Ontario.

I was deeply saddened, however, by the death of one of the Board's Directors, Mr. Charles (Bud) Clark, in late 1986. Mr. Clark had served on the Board as a representative of labour since its creation in October 1985. Mr. Donald William Holder, vice-president, Region III of the Canadian Paperworkers Union, joins the Board of Directors as a representative of workers, effective January 28, 1987.

Over the course of 1986, the Board addressed a number of important issues affecting injured workers, employers, and the management of the Workers' Compensation Board. It also dealt with issues of particular interest to other groups and individuals, with the common aim of enhancing service to our clients.

In the next year, the Workers' Compensation Board will build on the considerable gains we have made during 1986. I have no doubt that this reorganization and its spirit of renewal will unite all staff in the common goal of further developing and fine-tuning our integrated service delivery, so that we will continue to serve our clients — Ontario's workers and employers — with distinction.

Robert G. Elgie, M.D., Q.C.
Chairman

Report From The President

Alan D. Wolfson

The Workers' Compensation Board has been providing Ontario's injured workers and employers with an efficient and responsive system of compensation for 72 years.

In 1986, the Board underwent substantial changes, with the development of a new approach which will integrate our operations and upgrade the quality of our services to our clients across the province.

Early in June, the WCB's Board of Directors approved the introduction of a full-scale reorganization of the Board into three integrated service groups, to replace the more segmented divisional structure which had been in place for many years. The new structure of three divisions — Client Services, Policy and Specialized Services, and Corporate Services — will transform the Board into a more efficient, accessible and fiscally responsible service agency in the years ahead.

Our new approach is one of greater co-operation, co-ordination and teamwork, and a style of leadership which I feel is appropriate to the goals and objectives of our reorganization.

The Board of Directors also approved the creation of the Strategic Planning and Analysis Department, comprising two branches — Office of the General Counsel and Strategic Planning — both reporting to the president.

A major responsibility of the General Counsel's office is to review Workers' Compensation Appeals Tribunal decisions, to identify legal or policy issues for consideration by the Policy and Specialized Services Division, and to make recommendations to the chairman with respect to the Tribunal's interpretation of the policy and general law of the Workers' Compensation Act. It also serves as a source of legal advice to senior management and to our operating areas on matters of general law and policy.

The Strategic Planning Branch will carry out projects involving in-depth analysis of economic and policy issues currently facing the Board, such as the creation and implementation of our new experience rating program.

The three vice-presidents and the executive director of the Strategic Planning and Analysis Department join me as members of the Executive Committee, which deals with key operational issues facing the Board.

In tandem with our reorganization, the Board of Directors approved a number of initiatives to upgrade our services to workers and employers. In 1986, the Board opened regional offices in Hamilton and Thunder Bay, with another to follow in Ottawa in May of 1987, providing more effective and responsive service to the community. Furthermore, a new prototype regional office will be opened in Windsor in early 1988.

In the fall of 1986, the Board of Directors also approved assessment rates for the following year. In its 1985 Annual Report, the Workers' Compensation Board reported on a strategy to increase these rates by a maximum of 15 per cent per year for a three-year period, in order to reach an assessment level which could retire the Board's unfunded liability over an amortization period of 30 years. The 1987 assessment rates represent the third year of that strategy, with an average rate of $2.88 per $100 of assessable payroll — an increase of 8.7 per cent over the 1986 average rate — and with an increase limited to 14 per cent for any one rate group.

A modification of this strategy was introduced in order to recognize employers whose experience warrants a reduced rate of assessment. As a result, 17 rate groups which have been particularly successful in reducing accident rates or claims duration are experiencing a downward adjustment in their rates for 1987.

In addition, approval was given to set the net discount rate, which is used to value the Board's published liabilities, on a long-term basis. The Board of Directors adopted a figure of three per cent as appropriate for this purpose, given current prevailing economic conditions, and the higher earning potential of the Board's Accident Fund as a result of changes in our investment powers contained in Bill 101.

The services of The Coopers & Lybrand Consulting Group were retained by the Board in October of 1986 to conduct a thorough review of the programs in our third new division — Corporate Services — in order to ensure that its operating areas are providing the support needed by the other two divisions in the most effective and efficient manner. The review will also include the Board's Review Services, our internal system of appeal, and the Internal Audit Branch.

The year 1986 has been one of memorable achievement for the Workers' Compensation Board. In my first year as its president, I believe we have demonstrated and will continue to demonstrate our commitment to our clients by providing a quality, cost-effective service.

In the year ahead, we will make further strides as an integrated service agency, with improved policies and programs for our clients, in order to uphold the long tradition of a compassionate and progressive workers' compensation system for Ontario.

Alan D. Wolfson
Vice-Chairman of Administration and President

Client Services Division

Robert D. Reilly
Vice-President, Client Services Division

The Client Services Division was established in 1986 with the reorganization of the Workers' Compensation Board. It was designed to facilitate the integration of claims, medical and vocational rehabilitation services at our Toronto head office and in our regional offices. When the new structure is fully operational, we will be able to provide more efficient, personalized and responsive service with respect to claims adjudication, vocational rehabilitation and related client inquiries.

In 1986, Client Services was comprised of three separate functional units — Claims, Vocational Rehabilitation, and Regional Operations and Area Offices — which operated independently of one another.

In July, an internal task force was appointed to develop recommendations for the implementation of a new structure in Client Services — specifically, the number, size, type and organization of service delivery units; descriptions of key staff positions; and a plan for transition to the delivery of integrated services. With six project teams, composed of staff volunteers from various areas of the Board, the task force conducted its investigations over a period of three months.

The year 1986 was also one of important regional initiatives. In addition to existing regional offices in London and Sudbury, the Board of Directors approved a proposal to establish full regional services in Hamilton, Thunder Bay and Ottawa, and to reduce the active caseloads of claims adjudicators throughout our organization.

With the opening of the Hamilton regional office in November, clients in the regional municipalities of Halton, Hamilton-Wentworth, Haldimand-Norfolk, Niagara, and the County of Brant are now able to take full advantage of the Board's services in their local community. These

include registration of claims; adjudication of accident claims and disability pensions; authorization of compensation payments; processing of health care accounts; in-house medical examinations; vocational rehabilitation services; as well as classification, collection and counselling services for employers.

In December, the Board opened its fourth regional office in Thunder Bay, serving the people of Northwestern Ontario, including the districts of Thunder Bay, Rainy River and Kenora, with a similar range of services. The Board's fifth regional office will be opened in Ottawa in May 1987.

With the transfer of claims to the regional offices, the Board also took further steps to reduce the number handled by individual claims adjudicators, in order to provide more efficient and personalized service to our clients. Of the 442,080 new claims filed with the Board in 1986, the Hamilton office processed 13,143 of these in its first two months of operation, while the Thunder Bay office, which became fully operational in early 1987, handled 2,093.

Claims Services at the Board's head office assisted in this transition with the loan of adjudication, payment preparation and records control staff to the Hamilton regional office, while staff from the Sudbury regional office helped out in Thunder Bay. Training and support staff were also provided for the introduction of decentralized pensions adjudication in the London, Sudbury and Hamilton regional offices.

Additional automated services were introduced at head office for the annual indexing of compensation and pension payments, and for calculating permanent disability arrears and lump sum awards. New procedures were also developed to screen incoming mail for redirection to the appropriate regional office.

The Board's Vocational Rehabilitation Services improved its performance in returning injured workers to employment in 1986. Vocational rehabilitation staff were instrumental in rehabilitating 5,945 injured workers during the year, an increase of 6.5 per cent over 1985. Of these, 5,151 workers were returned to work with the accident employer, a new employer or became self-employed, while the remaining 794 were assisted in achieving financial self-sufficiency.

Initiatives taken to improve vocational rehabilitation services included a quality monitoring program for the uniform application of policy and administrative guidelines, further exploration of program evaluation and development methods, and continuing vocational rehabilitation research. A "Job Club" was established at the Board's Downsview Rehabilitation Centre to help injured workers and surviving spouses develop the necessary skills to seek employment.

The worksite analysis service — which provides expert advice to employers on the design or redesign of the workplace to accommodate rehabilitated workers — was expanded in 1986. A total of 147 employer and other client-related requests were received, a 75 per cent increase over 1985.

The employment services section conducted a total of 14 employment campaigns across the province during the year to promote the hiring of rehabilitated workers in local communities. In September, the program was expanded to include a campaign to locate jobs for injured workers in the construction industry.

Vocational rehabilitation staff across Ontario also became active in local advisory councils established by the Canada Employment and Immigration Commission. These councils provide staff with an opportunity to promote the services of the Board to our clients and the general public, and to campaign for hiring injured workers in their local communities.

In the course of 1986, the Client Services Division embraced a new structure and new direction in the delivery of services. In the year ahead, these changes will be consolidated, with an even greater commitment to first-class service and to prompt, personalized response to the special needs of our clients — the workers and employers of Ontario.

Policy and Specialized Services Division

Dr. Elizabeth A. Kaegi
Vice-President, Policy and Specialized Services Division

The Policy and Specialized Services Division was created in 1986 to provide the Board with a mechanism for the development of co-ordinated and integrated policies and programs, and a wide range of specialized medical and vocational rehabilitation services. It is also responsible, through the Occupational Health and Safety Education Authority, for the delivery of health and safety education.

In July, an internal task force was set up to determine the functions of this new division. Its responsibilities were to propose a framework for the creation of operational policies and programs that are integrated and easily understood, and to develop a cost-effective approach to the provision of its specialized services.

At the invitation of the vice-president, a cross-section of Board staff participated on six project teams, and a final task force report was submitted to the December 1986 meeting of the Board of Directors, which approved its recommendations.

When it is fully in place, the structure of the Policy and Specialized Services Division will be comprised of six departments, each reporting to the vice-president. They are:

- The Occupational Health and Safety Education Authority
- The Downsview Rehabilitation Centre
- Specialized Medical Services
- Specialized Vocational Rehabilitation Services
- Policy and Program Development
- Occupational Disease Department

The Occupational Health and Safety Education Authority (OHSEA) continues to be the arm of the Board responsible for the administration of its occupational health and safety education policies and programs. One of its aims is to extend services to workers and employers not already covered by one of the 10 delivery agencies it oversees.

The first year of a two-year experimental program undertaken by the OHSEA, in conjunction with the Electrical Utilities Safety Association, was completed in 1986. Its purpose is to provide occupational health and safety education services to the 135 member firms of the Ontario Municipal Water Association. In addition, a three-year experimental program to serve municipalities throughout Ontario commenced during the year.

The year 1986 marked the first full year of funding by the OHSEA for the Ontario Workers' Safety and Health Centre, which delivers safety and health education programs to Ontario labour. The OHSEA also co-ordinated the development and delivery of a training program on the administration and enforcement of designated substance regulations, for Occupational Health and Safety Division inspectors at the Ministry of Labour.

In addition, an estimated 35,000 workers were trained in first aid through the first aid training program funded by the Board, a 40 per cent increase over 1985.

The OHSEA, in conjunction with the Joint Policy Review Board, also worked with the delivery agencies to develop a strategy for the planning and evaluation of programs provided by these agencies and funded by the Board. As a result, the Board approved a planning and evaluation system study, which consists of two phases.

The first phase, which commenced in 1986, is designed to provide clear direction in terms of priorities, roles and responsibilities in the delivery of occupational health and safety education programs across the province. The second phase will work towards a planning and evaluation program which will be used annually to ensure that comprehensive, efficient and cost-effective health and safety education is provided in the workplace. The first phase of the study is scheduled for completion by the end of June 1987.

The Board's Downsview Rehabilitation Centre remains committed to helping injured workers return to work through its evaluation, treatment and rehabilitation services. Caseloads remained very high through most of 1986, with the continuation of the Early Admission Program initiated the previous year. These were gradually

reduced from July of 1986, however, to allow for more comprehensive and personalized patient care. In addition, as of December, adjudication and entitlement decisions ceased to be made at the Centre.

A total of 13,522 patients were admitted to the Centre during the year, a decrease of 4.2 per cent from 1985. Some 8,702 patients underwent the full program of treatment, for an average duration of 19.9 days, compared with 18.9 days the previous year. Of these, 83.7 per cent were declared medically fit to return to employment.

In the latter half of 1986, the Board initiated discussions with respect to the provision of medical rehabilitation services for injured workers in 15 local communities across the province.

Towards the end of the year, the Board set up a three-member team of inquiry to investigate allegations of improper delivery of programs and patient misconduct at the Centre. Their report was submitted to Board Chairman Dr. Robert Elgie and the Minister of Labour, the Honourable William Wrye, and recommended that some changes to the present system be made. The Minister subsequently appointed a five-member review team to conduct a general review of the Centre, including its administration, programs, and systems in place to protect patients' rights.

In November, the Centre played host to Ontario's medical community on the third annual Clinical Day, with a presentation of its notable achievements in research, its facilities and its services. The Centre's research committee continued to promote and direct research activities in 1986, with the aim of developing innovative techniques tailored to the special medical and rehabilitation needs of injured workers.

Co-ordinated policy development was also introduced at the Board in 1986, including approval in principle of a structure for the Policy and Specialized Services Division. An interim policy unit was established in October as a forerunner to the Policy and Program Development component set to follow in 1987.

The unit has served to provide interim policy initiatives and planning and resource support for current developments, as well as guidelines for policy research projects. These activities have bridged the gap between service in existing areas and service under the new structure by addressing current policy development needs on an ad hoc basis, and have laid the groundwork for the new operational structure, due for start up in 1987.

The Board continued to demonstrate its commitment to research and policy development in the area of industrial disease. In 1986, several important issues were referred to the recently created Industrial Disease Standards Panel, an independent agency appointed by the Lieutenant-Governor-in-Council. These include the effects of exposure to uranium on workers, the role of PCBs as a human carcinogen, and the concept of the so-called healthy worker effect. In addition, the Board sought advice on guidelines for the adjudication of cancer claims among gold and mixed ore miners.

A report published by Dr. Jan Muller in 1986 linked work in Ontario gold mines to the development of certain types of cancer. In light of advice from the Industrial Disease Standards Panel that its recommendations with respect to gold miners would be delayed, the Board appointed a team of scientific advisers, under Dr. Anthony Miller, to investigate the Muller Report's findings and make recommendations.

The Policy and Specialized Services Division will provide a framework for the development of Board policies, programs and specialized services which are integrated, current and consistent. With this strong foundation, and through regular communication with the Board's client groups, our commitment will be realized in the year ahead.

Corporate Services Division

Sam Van Clieaf
Acting Vice-President, Corporate Services Division

The Corporate Services Division provides the support services essential to the smooth operation of the Client Services and Policy and Specialized Services Divisions.

In late 1986, the Board retained The Coopers & Lybrand Consulting Group to conduct a thorough review of the functions, programs and services in the Corporate Services departments — Financial Services, Communications, Management Information Services, Human Resources, Employment Equity, the Investment Fund, Actuarial and Statistical Services, and Legal Services. Their report will be submitted in mid-1987.

The number of employers covered under Schedule 1 of the Workers' Compensation Act rose in 1986 by 5 per cent, to 187,000 from 178,000 in 1985. With an increase in the average rate of assessment to $2.65 per $100 of assessable payroll, assessment income rose to $1.63 billion, up 22.6 per cent over the previous year. Other factors contributing to this increase included growth in the assessable payroll base through an expanded work force and the rate of inflation.

The Board prepared an employer assessment policy manual in 1986, which assists firms in understanding their rights and responsibilities under the Workers' Compensation Act. The manual consists of a summary of policies and guidelines for dealing with the Board, and is available for purchase at a nominal charge.

Experience rating continues to be available to employer rate groups as a financial incentive to adopt effective accident prevention measures, and to achieve a more equitable distribution of assessment premiums to individual employers, through a closer relation to actual claims experience. At the close of 1986, a total of 53 rate groups were enrolled in one of three experience rating plans, including the New Experimental Experience Rating (NEER) plan.

The Board kept employers informed of the plans' operations, as well as other financial principles of the compensation system, through a series of presentations and information sessions.

The Board continued to expand its services in French in 1986, in anticipation of the November passage of Bill 8, An Act to provide for French Language Services in the Government of Ontario. Direct service in French was enhanced through in-house training courses for employees in bilingual positions, which rose to 220 in 1986 from 144 the previous year. In large part, this expansion was due to increased demand for service in the French language, in conjunction with the opening of new regional offices.

The Board's French Translation Bureau, established in May 1985, made further progress in 1986. The bureau handled more than 12,000 pages of translation, including medical reports, correspondence, information brochures, manuals, and the annual report. Translators also worked on the preparation of a WCB bilingual lexicon for internal use by bilingual staff. When available, it will contain more than 2,000 key terms and expressions in common usage at the Board and will allow for greater consistency in writing and style.

Early in 1986, a joint Management Information Services/Vocational Rehabilitation project team implemented the first phase of a multi-phased system known as Rehabilitation Information Services (RIS). This phase has the capability to handle on-line updating and data retrieval for vocational rehabilitation referrals, transfers, follow-ups and closures, and can be utilized to prepare monthly statistical reports. The system will automate many current rehabilitation processes, which means more prompt and efficient service for the Board's clients.

The second phase, to be designed in early 1987, will provide further facilities

for training, assessments and expenditures, and will allow for growth in the number of users.

Computer technology also played an important role in the further development of services in the regions. To support the work done there, a Wang VS100 Office System with workstations linked to head office was installed in Hamilton, while a Wang VS65 system was set up in Thunder Bay. Existing computer systems at head office were enhanced through 294 IBM terminals, with the capability of providing related on-line information directly to the regional offices. This has substantially reduced paper flow, while assisting in the decision making process.

With the opening of two new regional offices, the number of Board staff was increased to provide more effective client services in these areas. In Hamilton, the staff complement rose by 274, to a total of 323; and in Thunder Bay, 72 positions were added, for a total of 91 employees.

As an equal opportunity employer, the Workers' Compensation Board continued to strive for equity in its own workplace during the year. Through the Injured Worker Employment Initiative, the Board's Employment Equity Program facilitated the hiring of rehabilitated workers for staff positions in head office and the regions. In 1986, a total of 31 rehabilitated workers were hired province-wide, 20 of them in the Hamilton regional office, and six in Thunder Bay.

Employment of injured workers on a temporary basis, for job experience, was also arranged through the Work Experience Opportunity Program. In addition, a total of 39 technical aids were provided to disabled staff at the Board in 1986 to assist them in fulfilling the requirements of their jobs.

Special career development seminars for women on staff, as well as other programs of interest were sponsored by the Board during 1986. By the end of the year, women occupied 45.7 per cent of positions in the management and senior administrative scale, while their representation in senior management increased to 42 positions, up a full 25 per cent from the previous year.

The Corporate Services Division was created to provide an integrated and effective system of support services for the administration of the workers' compensation system. The year 1987 will be one of transition, during which we will foster these responsibilities to ensure that the delivery of our services is efficient and of the highest standard.

Statistical Record of Claims Process

In 1986, new claims reported to the Workers' Compensation Board across the province totalled 442,080, an increase of 3.6 per cent over 426,880 new claims in 1985.

Of total claims, 30,176 and 16,018 new claims were reported to the Board's regional offices in London and Sudbury respectively. With the opening of regional offices in Hamilton and Thunder Bay in November and December 1986, an additional 13,143 and 2,093 new claims were reported to these offices by year-end, while the remainder were received by the Board's Toronto head office.

During 1986, 46.0 per cent (203,241) of total new claims were accepted as lost-time claims, involving time off work and compensation payments. An additional 47.6 per cent (210,375) were accepted as no lost-time claims, for accidents which necessitated health care treatment but no time off work beyond the day of the accident. The remainder of claims were denied or otherwise categorized (including withdrawn or pending claims).

VOLUME AND TYPE OF CLAIMS, 1980-1986

Number of Claims and Percentage of Total Claims

	1980		1981		1982		1983		1984		1985		1986	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Allowed lost-time claims	165,221	37.1	163,366	39.4	148,713	42.5	147,666	42.8	172,002	44.2	188,461	44.2	203,241	46.0
Allowed no lost-time claims	246,255	55.4	222,374	53.6	183,990	52.6	175,871	51.0	192,919	49.6	207,104	48.5	210,375	47.6
Denied claims	28,332	6.4	25,582	6.1	15,842	4.5	16,989	4.9	20,343	5.2	24,020	5.6	25,742	5.8
Other (including withdrawn or pending claims)	4,866	1.1	3,722	0.9	1,202	0.4	4,232	1.3	3,581	1.0	7,295	1.7	2,722	0.6
Total claims	444,674	100.0	415,044	100.0	349,747	100.0	344,758	100.0	388,845	100.0	426,880	100.0	442,080	100.0

New permanent disability pension awards, comprising life and provisional awards, totalled 14,832 in 1986, up 8.8 per cent from 13,626 in 1985. A total of 14,381 special supplements were awarded during the year, 22.5 per cent more than in 1985 (11,734).

The number of active life and provisional awards on file at the end of the year increased to 106,864, up 8.1 per cent from 98,870 in 1985.

NEW PENSION AWARDS IN A YEAR BY PERCENTAGE OF PERMANENT DISABILITY, 1980-1986*

Number of Life and Provisional Awards and Percentage of Total Awards

Percentage of Permanent Disability	1980		1981		1982		1983		1984		1985		1986	
	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%
10.0% and less	4,257	46.2	4,442	42.6	5,631	45.2	5,976	47.0	6,522	44.0	6,250	45.9	6,997	47.2
10.1% to 20.0%	2,912	31.6	3,513	33.7	4,130	33.2	4,416	34.8	5,640	38.1	4,907	36.0	5,390	36.3
20.1% to 50.0%	1,614	17.5	2,010	19.3	2,208	17.7	1,906	15.0	2,222	15.0	2,044	15.0	2,048	13.8
50.1% to 99.9%	255	2.8	291	2.8	281	2.3	214	1.7	301	2.0	287	2.1	254	1.7
100.0%	173	1.9	165	1.6	206	1.6	189	1.5	131	0.9	138	1.0	143	1.0
Total awards	9,211	100.0	10,421	100.0	12,456	100.0	12,701	100.0	14,816	100.0	13,626	100.0	14,832	100.0

Number of Special Supplements and Percentage of Total Awards

Percentage of Permanent Disability	1980		1981		1982		1983		1984		1985		1986	
	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%
10.0% and less	234	6.7	248	6.0	236	4.1	180	2.4	214	2.4	167	1.4	300	2.1
10.1% to 20.0%	414	11.8	393	9.5	385	6.7	330	4.5	431	4.8	804	6.9	522	3.6
20.1% to 50.0%	963	27.4	995	24.1	1,039	18.0	1,034	14.0	1,403	15.7	2,408	20.5	2,532	17.6
50.1% to 99.9%	1,900	54.0	2,491	60.3	4,098	71.1	5,832	79.0	6,873	77.0	8,339	71.1	9,155	63.7
100.0%	4	0.1	3	0.1	8	0.1	4	0.1	9	0.1	16	0.1	14	0.1
No % Permanent Disability**	—	—	—	—	—	—	—	—	—	—	—	—	1,858**	12.9
Total awards	3,515	100.0	4,130	100.0	5,766	100.0	7,380	100.0	8,930	100.0	11,734	100.0	14,381	100.0

*Excludes lump sum awards.
**In 1986, special supplements for old age were not assigned a specific per cent permanent disability.

ACTIVE PENSION AWARDS AT DECEMBER 31 OF EACH YEAR BY PERCENTAGE OF PERMANENT DISABILITY, 1980-1986*

Number of Life and Provisional Awards and Percentage of Total Awards

Percentage of Permanent Disability	1980		1981		1982		1983		1984		1985		1986	
	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%
10.0% and less	24,119	38.1	26,317	38.4	29,621	39.1	33,068	39.9	36,871	40.4	40,342	40.8	44,198	41.4
10.1% to 20.0%	25,348	40.1	27,235	39.7	29,647	39.1	32,273	38.9	35,736	39.1	38,629	39.1	41,729	39.0
20.1% to 30.0%	6,523	10.3	7,268	10.6	8,114	10.7	8,834	10.7	9,620	10.5	10,294	10.4	10,979	10.3
30.1% to 50.0%	4,231	6.7	4,568	6.7	4,921	6.5	5,172	6.2	5,423	5.9	5,698	5.8	5,948	5.6
50.1% and more	3,020	4.8	3,210	4.6	3,440	4.6	3,574	4.3	3,742	4.1	3,907	3.9	4,010	3.7
Total awards	63,241	100.0	68,598	100.0	75,743	100.0	82,921	100.0	91,392	100.0	98,870	100.0	106,864	100.0

Number of Special Supplements and Percentage of Total Awards

Percentage of Permanent Disability	1980		1981		1982		1983		1984		1985		1986	
	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%	Awards	%
10.0% and less	116	7.3	109	6.8	98	4.7	81	3.0	88	2.6	62	1.5	111	1.7
10.1% to 20.0%	324	20.5	306	19.1	310	15.0	280	10.3	289	8.6	592	13.9	274	4.0
20.1% to 30.0%	351	22.2	306	19.1	323	15.6	280	10.3	293	8.8	554	13.0	339	5.0
30.1% to 50.0%	322	20.4	334	20.8	339	16.4	372	13.6	435	13.0	679	15.9	674	9.9
50.1% and more	467	29.6	547	34.2	1,000	48.3	1,717	62.8	2,240	67.0	2,373	55.7	3,009	44.4
No % Permanent Disability**	—	—	—	—	—	—	—	—	—	—	—	—	2,377**	35.0
Total awards	1,580	100.0	1,602	100.0	2,070	100.0	2,730	100.0	3,345	100.0	4,260	100.0	6,784	100.0

*Excludes lump sum awards.
**In 1986, special supplements for old age were not assigned a specific per cent permanent disability.

There were 220* allowed fatal claims by year of death in 1986, compared with 195 the previous year. (*preliminary figure).

INDUSTRIAL FATALITIES, 1980-1986

	1980	1981	1982	1983	1984	1985	1986
Fatalities	311	265	226	232	234	195	220*

*Preliminary figure

NOTE:
1) Represents allowed claims for fatalities based on the year of death of the worker.
2) Includes deaths arising out of occupational illnesses and injuries.
3) Allowed fatal claims are subject to slight change with time as new allowed claims are assigned to the year of death

In 1986, 97.5 per cent of uncomplicated claims were processed, and the first compensation cheque issued, within three working days of the Board's receipt of accident notification. Some 86.4 per cent of claims instituted on a doctor's first report were processed within 10 working days, while 80.4 per cent of complicated claims were processed within 30 working days.

CLAIMS RESPONSE TIMES, 1980-1986*

Uncomplicated Claims (Instituted on employer's report)	1980 %	1981 %	1982 %	1983 %	1984 %	1985 %	1986 %
% of claims paid within...							
3 workdays	94.6	95.3	95.7	96.1	96.8	98.0	97.5
4 workdays	96.6	98.1	98.7	97.9	97.8	99.0	99.1
5 workdays	96.9	98.8	99.2	98.5	98.8	99.3	99.4
Claims Instituted on Doctor's First Report (Requiring additional reports from employer/employee)							
% of claims paid within...							
10 workdays	58.1	44.4	60.6	92.9	89.7	84.6	86.4
20 workdays	78.2	67.5	86.1	98.4	98.1	97.5	97.7
30 workdays	91.9	82.8	94.9	99.4	99.1	100.0	100.0
Complicated Claims (Needing inquiries or full field investigations)							
% of claims paid within...							
10 workdays	22.1	35.1	36.0	36.8	36.8	37.0	29.5
20 workdays	50.6	62.2	67.5	66.6	65.9	67.5	61.2
30 workdays	75.3	76.9	82.0	84.3	84.0	82.5	80.4

* A comparison over seven years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.
NOTE: Claims excluded:
1) claims in which there was a change in status from "no lost-time" to "lost-time";
2) hernia claims;
3) industrial disease claims.

The average duration on benefit, or average number of workdays injured workers were on temporary total compensation in 1986, was 35.7 days (7.1 weeks), up from 34.9 workdays in 1985.

AVERAGE DURATION ON BENEFIT, 1980-1986*

	1980	1981	1982	1983	1984	1985	1986
Average number of workdays on benefit	23.4	26.4	30.3	37.4	38.1	34.9	35.7
Converted to weeks on benefit	4.7	5.3	6.1	7.5	7.6	7.0	7.1

*These are the average workdays on benefit, or temporary total compensation, for compensation claims which were closed or initially settled in the year involved. They are not persistency values, which is a term used by the Board's actuarial services for costing purposes.

A total of 10,448 objections to Board decisions were reviewed by the Board's decision review specialists during 1986, a substantial decrease of 60.8 per cent from the previous year (26,619 objections). Of this total, 34.6 per cent of objections were granted, either in whole or in part, compared with 25 per cent under the Board's previous system of review in 1985.

Hearings officers at the Board conducted 4,154 hearings in 1986, down 10.4 per cent from 4,634 hearings in 1985. Of objections heard, 59.1 per cent were granted, either in whole or in part, compared with 50.1 per cent the year before.

Access to claim files, which is available to injured workers and employers when an adverse decision has been rendered in an operating area of the Board and an objection raised, increased by a significant 66.8 per cent during the year. Access to files totalled 22,390 in 1986, up from 13,421 in 1985.

The Workers' Compensation Board's medical advisers reviewed 154,561 claim files in 1986 (down from 155,831 the year before) in order to provide medical opinions which would assist in the adjudication of individual claims. Industrial disease consultants reviewed 28.2 per cent more claims, for a total of 22,470 (from 17,528 in 1985). Permanent disability examinations of injured workers totalled 18,413, up 4.1 per cent from 17,692.

The Board paid out $166,726,654 in health care benefit accounts and related expenses during the year, an increase of 14.2 per cent. A total of 3,988,383 individual service items were paid for with respect to the treatment of injured workers, up 7.7 per cent over 1985.

Home modifications were arranged for 467 injured workers (up 46 per cent from 319 in 1985) who, because of severe disability, medically required modifications to their home. A total of $1,023,738 was paid for these modifications in 1986, at an average cost of $2,19[illegible] injured worker.

Admissions to the Board's 499-bed Downsview Rehabilitation Centre decreased by 4.2 per cent in 1986, to 13,522 from 14,111 the previous year. Of these, 8,702 patients completed the full-treatment program, 7.8 per cent fewer than in 1985 (9,438), and stayed at the Centre for an average of 19.9 days (18.9 the year before). Of patients who completed the full-treatment program, 7,287 were medically fit to return to work, a success rate of 83.7 per cent in these complicated cases.

FULL–TREATMENT PROGRAMS COMPLETED AT DOWNSVIEW REHABILITATION CENTRE AND WORKERS MEDICALLY FIT TO RETURN TO WORK, 1980-1986

	1980	1981	1982	1983	1984	1985	1986
Workers who completed full-treatment program	5,955	6,126	6,059	6,520	6,944	9,438	8,702
Workers medically fit to return to work	4,594	4,639	4,651	5,188	5,731	7,893	7,287

Injured workers across the province referred for vocational rehabilitation services at the Board totalled 11,365 in 1986, compared with 11,269 in 1985.

Vocational rehabilitation staff were instrumental in rehabilitating 5,945 injured workers during the year, up 6.5 per cent from the year before (5,581 rehabilitated). Of these, 5,151 workers were returned to work, 52.0 per cent of them (2,678) to a new employer, 41.6 per cent (2,145) to the accident employer, and 6.4 per cent (328) became self-employed. The remaining 794 workers, who will not be returning to employment, were assisted in achieving financial self-sufficiency.

There were an additional 4,156 vocational rehabilitation cases during the year in which no further action was indicated, bringing the total number of cases closed in 1986 to 10,101, up 0.2 per cent from the previous year. A total of 10,731 cases remained active at year-end.

INJURED WORKERS REFERRED FOR VOCATIONAL REHABILITATION, 1980-1986

	1980	1981	1982	1983	1984	1985	1986
Injured workers	5,707	6,545	7,656	8,126	7,633	11,269	11,365

INJURED WORKERS REHABILITATED, 1980-1986

Injured Workers Employed With . . .	1980	1981	1982	1983	1984	1985	1986
Accident employer	848	1,020	991	1,320	1,293	2,031	2,145
New employer	1,772	1,893	1,545	1,651	2,162	2,534	2,678
Self-employed	185	191	169	217	259	309	328
Total employed	2,805	3,104	2,705	3,188	3,714	4,874	5,151
Assisted in becoming financially self-sufficient	609	608	777	793	696	707	794
Total rehabilitated	3,414	3,712	3,482	3,981	4,410	5,581	5,945

In 1986, 4,990 job opportunities across Ontario were located by Board staff for use in the placement of rehabilitated workers, a 5.7 per cent decrease from 1985 (5,291). Rehabilitated workers were placed, and an assessment or training-on-the-job program commenced, in 2,176 of these jobs (43.6 per cent). More job opportunities are obtained than are filled in order to provide workers with a selection of jobs from which to choose the most suitable.

Injured workers participated in 4,789 assessments during the year, up 6.4 per cent, in order to help identify their interests, aptitudes and capabilities and to assist in vocational planning and job placement. Some 3,118 training programs were commenced for injured workers, a 19.3 per cent increase over 1985.

ASSESSMENTS AND TRAINING PROGRAMS COMMENCED, 1980-1986

	1980	1981	1982	1983	1984	1985	1986
Assessments	2,758	2,780	2,775	3,302	3,837	4,499	4,789
Training programs	2,246	2,319	2,451	2,400	2,654	2,614	3,118

Schedule 1 Accident Fund

Employers in Ontario who are covered under Schedule I of the Workers' Compensation Act contribute to a collective accident fund, which is divided into 109 active rate groups for the purpose of issuing assessments and paying benefit expenses. In 1986, the number of employers covered under Schedule I grew to 187,000 from 178,000, an increase of 5.0 per cent.

Assessment income in 1986 increased to $1.69 billion from $1.33 billion, up 27.1 per cent. The estimated payroll reported by Schedule I employers rose to $58.6 billion from $52.2 billion in 1985, a 12.3 per cent increase.

CHANGES IN ASSESSMENT INCOME AND ASSESSABLE PAYROLL, 1980-1986
(1980 = 100%)

	1980	1981	1982	1983	1984	1985	1986
Assessment income (Millions of $)	$529.0	$601.0	$704.0	$789.0	$1,060.0	$1,330.0	$1,630.0
Percentage change - Assessment	100%	114%	133%	149%	200%	251%	308%
Total payroll (Billions of $)	$ 32.7	$ 37.4	$ 40.9	$ 42.3	$ 48.4	$ 52.2	$ 58.6
Percentage change - Total payroll	100%	114%	125%	129%	148%	160%	179%

The earnings ceiling for assessment purposes remained, as in 1985, at $31,500. The ceiling on annual earnings covered for benefits was raised to $32,100 from $31,500 the year before. Effective January 1, 1987, as a result of Bill 81 (which indexed benefit earnings), the earnings ceiling for assessment purposes for a calendar year will be equal to the January 1st earnings ceiling for benefits.

Requests for personal coverage (by sole proprietors, partners, independent operators and their spouses) or revisions to existing personal coverage, as of April 15, 1986, are subject to minimum earnings of $16,000 for assessment purposes. Effective January 1, 1987, the minimum earnings for personal coverage will be set at 50 per cent of the assessment ceiling on earnings, rounded down to the next $100.

The average rate of assessment for every hundred dollars of assessable payroll in 1986 was $2.65, an increase of 14.7 per cent over the 1985 average rate. The 1986 rates ranged from a low of $0.10 to a high of $28.05 per $100 of payroll. The estimated average for 1987 is $2.88, an 8.7 per cent increase over the 1986 average rate.

AVERAGE RATE OF ASSESSMENT FOR SCHEDULE 1 EMPLOYERS, 1980-1986
(rate per $100 of payroll)

	1980	1981	1982	1983	1984	1985	1986
Average rate of assessment	$ 1.65	$ 1.69	$ 1.77	$ 1.88	$ 2.17	$ 2.31	$ 2.65
Lowest rate of assessment	$ 0.15	$ 0.20	$ 0.25	$ 0.26	$ 0.28	$ 0.14	$ 0.10
Highest rate of assessment	$16.15	$18.00	$20.25	$21.85	$25.12	$25.12	$28.05

The Schedule 1 average annual assessment per worker in 1986 was $545. This average is based on 109 rate groups, which span a wide variety of industries in Ontario. It is bounded by a low of $25 per worker and a high of $8,650 per worker. The estimated average for 1987 is $625, an average increase of 15.0 per cent.

A total of 12,978 employer audits were conducted in 1986, compared with 14,123 in 1985. Resulting additional assessments amounted to $2.2 million, up from $2.1 million the year before.

The Board administers three experience rating plans, affecting 53 of 109 rate groups. There were 49,497 firms eligible for experience rating in 1986, of which 74 per cent received credits totalling $41.4 million and 26 per cent received surcharges totalling $40.5 million.

The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's pre-existing or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and health care benefit costs transferred to SIEF in 1986 totalled $167,575,260, or 15.3 per cent of total Schedule 1 awards, up from $151,748,669 in 1985.

The Board's net investment income increased to $216.7 million from $186.4 million, up 16.3 per cent. The running yield on the long-term portfolio decreased to 10.55 per cent from 11.4 per cent in 1985.

Schedule 1 assets in 1986 rose to $2.98 billion from $2.5 billion in 1985, an increase of 19.4 per cent. Accident fund investments, valued at amortized cost adjusted for accumulated unamortized net losses, account for $2.33 billion of the assets, and grew from $1.91 billion the previous year.

CHANGES IN THE ACCIDENT FUND INVESTMENT PORTFOLIO, 1980-1986
(percentage of total)

	End of 1980	End of 1981	End of 1982	End of 1983	End of 1984	End of 1985	End of 1986
	%	%	%	%	%	%	%
Long-term bonds	70.1	68.0	63.5	63.1	64.5	72.4	67.6
Mortgages	24.1	25.0	26.0	24.7	23.4	21.1	18.2
Short-term securities	5.8	7.0	10.5	12.2	12.1	6.5	8.5
Equities	0.0	0.0	0.0	0.0	0.0	0.0	5.7

Claims Profiles, 1980-1986

Charts to follow present detailed claims information in the province on the basis of claims "initially settled" in the year. This concept differs from the basis of claims information on previous pages of the Annual Report, which record "allowed new claims" by year of accident or year of death.

Initially settled claims are claims which are finalled or closed for the first time. A claim becomes settled when no further activity is anticipated — for example, when no further compensation payments are expected. Claims which are settled in a given year may be for accidents or diseases which occurred in previous years, although most claims are settled within a few weeks of the accident.

The use of settled or finalled claims as a basis of these statistics permits a more detailed breakdown of claims information, and is commonly used by other Boards across Canada.

Definitions of specific claims information presented here are as follows:

Temporary Total (T.T.) Compensation Claim — A T.T. claim is a claim which has been allowed for temporary total compensation benefits. This is commonly referred to as a lost-time claim.

Permanent Disability (P.D.) Claim — A P.D. claim is a claim in which a permanent disability award is made. Most P.D. awards are made for life. Initially settled P.D. claims are P.D. claims which are finalled in the year and the first settlement is for P.D. benefits. It does not include P.D. claims which are established after a claim is reopened and subsequently resettled.

Fatal Claim — A fatal claim is one in which a death claim is allowed. Initially settled fatal claims are fatal claims which are settled or finalled in the year, regardless of the year in which death occurred. It does not include fatal claims which are allowed after a claim is reopened and subsequently resettled.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY NATURE OF INJURY AND DISEASE, 1980-1986

Number of Claims and Percentage of Total Claims

Occupational Injury	1980		1981		1982		1983		1984*		1985*		1986*	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Sprains, strains	52,546	33.9	45,008	29.4	43,551	30.3	37,847	29.2	65,150	42.3	83,341	47.9	90,093	48.9
Contusions - intact skin	21,699	14.0	17,817	11.6	16,929	11.8	13,991	10.8	26,334	17.1	37,108	21.3	38,642	20.9
Cuts, lacerations, open wounds	20,724	13.4	19,552	12.8	17,930	12.5	15,885	12.3	19,552	12.7	22,096	12.7	23,653	12.8
Fractures	9,941	6.4	7,588	4.9	7,258	5.1	5,785	4.5	7,180	4.7	7,580	4.4	7,508	4.1
Scratches, abrasions	6,038	3.9	5,702	3.7	4,867	3.4	4,197	3.3	4,937	3.2	5,828	3.3	6,215	3.4
Burns or scalds (heat)	4,273	2.8	4,083	2.7	3,744	2.6	3,259	2.5	3,787	2.5	4,251	2.4	4,403	2.4
Hernia, rupture	1,807	1.2	1,743	1.1	1,674	1.2	1,563	1.2	1,622	1.1	1,570	0.9	1,776	0.9
Multiple injuries	1,236	0.8	979	0.6	975	0.7	654	0.5	859	0.6	1,014	0.6	916	0.5
Dislocation	706	0.5	552	0.4	559	0.4	381	0.3	491	0.3	582	0.3	597	0.3
Concussion - brain, cerebral	623	0.4	385	0.3	381	0.3	270	0.2	353	0.2	350	0.2	344	0.2
Amputation or enucleation	806	0.5	615	0.4	557	0.4	302	0.2	344	0.2	306	0.2	303	0.2
Electric shock, electrocution	218	0.1	251	0.2	168	0.1	141	0.1	166	0.1	164	0.1	208	0.1
Asphyxia, strangulation, drowning	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other and unspecified injuries	30,264	19.3	44,436	29.0	40,835	28.3	41,575	32.1	18,966	12.3	4,635	2.7	3,508	1.9
Total occupational injuries	150,882	97.2	148,711	97.1	139,428	97.1	125,850	97.2	149,741	97.3	168,825	97.0	178,166	96.6
Occupational Disease														
Burn (chemical)	1,224	0.8	1,196	0.8	1,036	0.7	928	0.7	962	0.6	1,176	0.7	1,402	0.8
Ultraviolet rays, welders' flash	1,087	0.7	989	0.7	892	0.6	573	0.5	691	0.5	832	0.5	888	0.4
Fume toxicity, smoke inhalation	617	0.4	646	0.4	638	0.5	631	0.5	613	0.4	822	0.5	859	0.5
Synovitis, tenosynovitis, tendonitis	282	0.2	394	0.3	455	0.3	307	0.2	473	0.3	785	0.5	1,308	0.7
Dermatitis	680	0.4	650	0.4	606	0.4	523	0.4	565	0.4	640	0.4	668	0.4
Contagious or infectious diseases	212	0.2	139	0.1	203	0.1	330	0.3	381	0.3	414	0.2	309	0.2
Inflammation or irritation of joints, etc.	105	0.1	138	0.1	123	0.1	135	0.1	253	0.2	349	0.2	554	0.3
Freezing, frostbite, etc.	27	0.0	74	0.1	59	0.1	18	0.0	54	0.0	53	0.0	59	0.0
Bursitis	5	0.0	20	0.0	25	0.0	23	0.0	18	0.0	31	0.0	42	0.0
Pneumoconioses	31	0.0	57	0.0	32	0.0	29	0.0	39	0.0	30	0.0	36	0.0
Heatstroke, sunstroke, heat cramps	8	0.0	16	0.0	20	0.0	22	0.0	19	0.0	12	0.0	8	0.0
Hearing loss or impairment	4	0.0	3	0.0	6	0.0	1	0.0	6	0.0	5	0.0	12	0.0
Caisson's disease	2	0.0	8	0.0	6	0.0	6	0.0	1	0.0	2	0.0	1	0.0
Tuberculosis	3	0.0	7	0.0	4	0.0	2	0.0	4	0.0	2	0.0	3	0.0
Silicosis	2	0.0	1	0.0	0	0.0	0	0.0	3	0.0	1	0.0	3	0.0
Asbestosis	0	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0
Other occupational illnesses	54	0.0	60	0.0	150	0.1	89	0.1	72	0.0	84	0.0	104	0.1
Total occupational diseases	4,343	2.8	4,399	2.9	4,255	2.9	3,617	2.8	4,154	2.7	5,238	3.0	6,257	3.4
Total injuries and diseases	155,225	100.0	153,110	100.0	143,683	100.0	129,467	100.0	153,895	100.0	174,063	100.0	184,423	100.0

* The distribution of temporary total compensation settled claims is somewhat different in 1984, 1985 and 1986 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY PART OF BODY INJURED, 1980-1986

Number of Claims and Percentage of Total Claims

Part of Body Injured	1980		1981		1982		1983		1984*		1985*		1986*	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Back	37,842	24.4	39,327	25.7	37,534	26.1	35,874	27.7	42,896	27.9	48,988	28.1	50,524	27.4
Finger(s)	20,441	13.2	19,206	12.5	17,558	12.2	14,750	11.4	18,313	11.9	21,164	12.2	22,050	12.0
Multiple parts	6,827	4.4	8,358	5.5	8,338	5.8	7,747	6.0	8,907	5.8	11,834	6.8	12,521	6.8
Knee	6,534	4.2	4,384	2.9	4,271	3.0	3,376	2.6	7,478	4.9	9,398	5.4	9,772	5.3
Ankle	8,095	5.2	7,387	4.8	6,851	4.8	5,848	4.5	7,760	5.0	9,054	5.2	9,044	4.9
Hand	7,420	4.8	6,705	4.4	6,376	4.4	5,678	4.4	7,698	5.0	8,881	5.1	9,236	5.0
Shoulder	4,755	3.1	4,055	2.6	4,012	2.8	3,603	2.8	6,518	4.2	8,238	4.7	8,747	4.7
Foot	4,692	3.0	2,056	1.3	2,113	1.5	1,424	1.1	5,843	3.8	7,574	4.4	8,081	4.4
Eye(s)	7,135	4.6	6,974	4.6	6,222	4.3	5,516	4.3	6,621	4.3	7,196	4.1	7,517	4.1
Wrist	4,166	2.7	3,829	2.5	3,678	2.6	3,263	2.5	4,586	3.0	5,617	3.2	5,771	3.1
Chest	2,890	1.8	2,538	1.7	2,475	1.7	2,227	1.7	3,643	2.4	3,985	2.3	3,999	2.2
Abdomen	3,237	2.1	3,690	2.4	3,393	2.4	3,252	2.5	3,538	2.3	3,687	2.1	4,081	2.2
Elbow	2,314	1.5	1,542	1.0	1,495	1.0	1,400	1.1	2,625	1.7	3,255	1.9	3,493	1.9
Lower leg	6,533	4.2	9,006	5.9	8,035	5.6	8,482	6.5	4,128	2.7	3,119	1.8	2,945	1.6
Forearm	3,978	2.6	4,847	3.2	4,199	2.9	3,975	3.1	2,945	1.9	2,929	1.7	3,237	1.7
Toe(s)	2,879	1.8	3,059	2.0	2,759	1.9	2,510	1.9	2,079	1.3	2,256	1.3	2,444	1.3
Other	25,487	16.4	26,147	17.0	24,374	17.0	20,542	15.9	18,317	11.9	16,888	9.7	20,961	11.4
Total claims	155,225	100.0	153,110	100.0	143,683	100.0	129,467	100.0	153,895	100.0	174,063	100.0	184,423	100.0

*The distribution of temporary total compensation settled claims is somewhat different in 1984, 1985 and 1986 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY INDUSTRY, 1980-1986

Number of Claims and Percentage of Total Claims

Industry	1980		1981		1982		1983		1984		1985		1986	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Manufacturing	62,977	40.6	60,238	39.3	53,800	37.4	46,020	35.5	58,100	37.8	67,738	38.9	73,802	40.0
Service	20,370	13.1	22,016	14.4	22,081	15.4	21,249	16.4	25,105	16.3	29,215	16.8	31,363	17.0
Trade, wholesale and retail	22,236	14.3	22,217	14.5	21,015	14.6	19,137	14.8	22,537	14.6	25,741	14.8	27,738	15.0
Transportation and communications	12,868	8.3	13,686	9.0	15,657	10.9	14,233	11.0	15,991	10.4	16,877	9.7	16,723	9.1
Public administration and defence	15,950	10.3	14,531	9.5	12,477	8.7	12,644	9.8	13,009	8.5	14,221	8.2	13,629	7.4
Construction	13,357	8.6	13,121	8.6	12,194	8.5	10,553	8.2	12,309	8.0	13,489	7.7	14,821	8.0
Agriculture	1,988	1.3	2,032	1.3	2,035	1.4	2,010	1.6	2,351	1.5	2,316	1.3	2,327	1.3
Mines, quarries and oil wells	2,976	1.9	2,769	1.8	2,127	1.5	1,476	1.1	1,895	1.2	1,700	1.0	1,447	0.8
Finance, insurance and real estate	1,331	0.9	1,407	0.9	1,331	0.9	1,211	0.9	1,404	0.9	1,536	0.9	1,514	0.8
Forestry	1,145	0.7	1,060	0.7	943	0.7	900	0.7	1,163	0.8	1,189	0.7	1,022	0.6
Fishing and trapping	27	0.0	33	0.0	23	0.0	34	0.0	31	0.0	41	0.0	37	0.0
Total claims	155,225	100.0	153,110	100.0	143,683	100.0	129,467	100.0	153,895	100.0	174,063	100.0	184,423	100.0

PERMANENT DISABILITY SETTLED CLAIMS BY NATURE OF INJURY AND DISEASE, 1980-1986

Number of Claims and Percentage of Total Claims

Occupational Injury	1980		1981		1982		1983		1984		1985		1986	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Sprains, strains	1,194	26.6	1,479	29.5	1,732	28.9	2,350	30.0	2,696	29.2	2,310	27.9	3,283	36.5
Fractures	736	16.4	699	13.9	768	12.8	1,007	12.9	997	10.8	877	10.6	830	9.2
Cuts, lacerations, open wounds	544	12.1	465	9.3	586	9.8	683	8.8	772	8.4	801	9.7	759	8.4
Contusions - intact skin	301	6.7	342	6.8	375	6.3	495	6.3	599	6.5	552	6.7	909	10.1
Amputation or enucleation	410	9.1	404	8.0	382	6.4	343	4.4	372	4.0	307	3.7	280	3.1
Multiple injuries	154	3.4	152	3.0	173	2.9	236	3.0	189	2.0	200	2.4	202	2.3
Burns or scalds (heat)	34	0.8	33	0.7	36	0.6	42	0.5	67	0.7	40	0.5	30	0.4
Dislocation	27	0.6	41	0.8	45	0.8	62	0.8	49	0.5	37	0.4	57	0.6
Scratches, abrasions	28	0.6	27	0.5	33	0.6	36	0.5	29	0.3	34	0.4	32	0.4
Concussion - brain, cerebral	8	0.2	17	0.3	18	0.3	27	0.3	23	0.3	20	0.2	20	0.2
Hernia, rupture	8	0.2	3	0.1	10	0.1	7	0.1	13	0.1	17	0.2	11	0.1
Electric shock, electrocution	8	0.2	8	0.2	10	0.1	12	0.2	14	0.2	11	0.1	11	0.1
Asphyxia, strangulation, drowning	0	0.0	1	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other and unspecified injuries	630	14.0	786	15.7	1,031	17.1	1,682	21.5	2,309	25.0	2,111	25.4	1,406	15.6
Total occupational injuries	4,082	90.9	4,457	88.8	5,199	86.7	6,982	89.3	8,129	88.0	7,317	88.2	7,830	87.0
Occupational Disease														
Hearing loss or impairment	349	7.8	447	8.9	667	11.1	630	8.1	841	9.1	758	9.2	902	10.0
Inflammation or irritation of joints, tendons, etc.	11	0.3	21	0.4	31	0.5	57	0.7	119	1.3	107	1.3	89	1.0
Synovitis, tenosynovitis, tendonitis	12	0.3	18	0.4	19	0.3	31	0.4	47	0.5	28	0.3	64	0.7
Dermatitis	6	0.1	9	0.2	14	0.2	33	0.4	30	0.4	19	0.2	23	0.3
Burn (chemical)	4	0.1	6	0.1	5	0.1	14	0.2	12	0.2	8	0.1	7	0.1
Silicosis	7	0.2	16	0.3	20	0.3	6	0.1	10	0.1	8	0.1	20	0.2
Pneumoconioses	1	0.0	5	0.1	10	0.2	7	0.1	7	0.1	6	0.1	5	0.1
Asbestosis	6	0.1	10	0.2	5	0.1	6	0.1	4	0.0	5	0.1	12	0.1
Fume toxicity, smoke inhalation	0	0.0	5	0.1	5	0.1	2	0.0	4	0.0	3	0.0	8	0.1
Ultraviolet rays, welders' flash	1	0.0	3	0.1	5	0.1	4	0.1	4	0.0	1	0.0	1	0.0
Bursitis	0	0.0	1	0.0	0	0.0	2	0.0	4	0.0	1	0.0	4	0.0
Tuberculosis	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0	0	0.0
Freezing, frostbite, etc.	0	0.0	1	0.0	1	0.0	4	0.1	4	0.0	0	0.0	3	0.0
Tuberculosis and pneumoconiosis	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0	0	0.0	1	0.0
Contagious or infectious diseases	0	0.0	1	0.0	0	0.0	2	0.0	1	0.0	0	0.0	1	0.0
Caisson's disease	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0
Other occupational illnesses	10	0.2	19	0.4	17	0.3	30	0.4	21	0.3	32	0.4	31	0.4
Total occupational diseases	407	9.1	562	11.2	799	13.3	828	10.7	1,109	12.0	977	11.8	1,172	13.0
Total injuries and diseases	4,489	100.0	5,019	100.0	5,998	100.0	7,810	100.0	9,238	100.0	8,294	100.0	9,002	100.0

PERMANENT DISABILITY SETTLED CLAIMS BY PART OF BODY INJURED, 1980-1986

Number of Claims and Percentage of Total Claims

Part of Body	1980		1981		1982		1983		1984		1985		1986	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Back	1,152	25.7	1,489	29.7	1,686	28.1	2,357	30.2	2,839	30.7	2,478	29.9	2,921	32.5
Finger(s)	1,084	24.2	970	19.3	1,119	18.7	1,217	15.6	1,333	14.4	1,337	16.1	1,226	13.6
Multiple parts	324	7.2	329	6.6	356	5.9	600	7.7	691	7.5	687	8.3	790	8.8
Knee	237	5.3	248	4.9	270	4.5	332	4.3	380	4.1	331	4.0	389	4.3
Lower leg	77	1.7	99	2.0	134	2.3	235	3.0	319	3.5	262	3.2	200	2.2
Hand	162	3.6	155	3.1	170	2.8	214	2.7	289	3.1	251	3.0	243	2.7
Wrist	141	3.1	133	2.6	117	2.0	175	2.2	201	2.2	211	2.5	215	2.4
Shoulder	93	2.1	132	2.6	170	2.8	242	3.1	243	2.6	190	2.3	346	3.8
Ankle	78	1.7	107	2.1	113	1.9	149	1.9	182	2.0	149	1.8	199	2.2
Forearm	73	1.6	60	1.2	97	1.6	115	1.5	159	1.7	131	1.6	117	1.3
Foot	76	1.7	99	2.0	95	1.6	116	1.5	119	1.3	102	1.2	147	1.6
Elbow	47	1.1	61	1.2	68	1.1	88	1.1	94	1.0	100	1.2	143	1.6
Abdomen	27	0.6	19	0.4	37	0.6	37	0.5	78	0.8	68	0.8	50	0.6
Eye(s)	59	1.3	58	1.2	60	1.0	66	0.8	62	0.7	57	0.7	47	0.5
Toe(s)	37	0.8	23	0.5	30	0.5	48	0.6	71	0.8	45	0.5	36	0.4
Chest	18	0.4	26	0.5	24	0.4	35	0.5	28	0.3	41	0.5	44	0.5
Other	804	17.9	1,011	20.1	1,452	24.2	1,784	22.8	2,150	23.3	1,854	22.4	1,889	21.0
Total claims	4,489	100.0	5,019	100.0	5,998	100.0	7,810	100.0	9,238	100.0	8,294	100.0	9,002	100.0

FATAL SETTLED CLAIMS BY INDUSTRY, 1980-1986

Number of Claims and Percentage of Total Claims

Industry	1980		1981		1982		1983		1984		1985		1986	
	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%	Claims	%
Manufacturing	39	19.7	51	23.2	49	24.0	50	27.9	60	30.0	34	23.6	42	28.2
Construction	30	15.2	47	21.4	31	15.2	21	11.7	28	14.0	34	23.6	22	14.8
Mines, quarries and oil wells	33	16.7	20	9.1	22	10.8	15	8.4	23	11.5	18	12.5	24	16.1
Transportation and communications	25	12.6	38	17.3	36	17.7	36	20.1	25	12.5	16	11.1	18	12.1
Public administration and defence	21	10.6	15	6.8	10	4.9	13	7.3	11	5.5	13	9.0	11	7.4
Trade, wholesale and retail	26	13.2	13	5.9	16	7.8	17	9.5	15	7.5	11	7.6	15	10.1
Service	9	4.5	15	6.8	22	10.8	13	7.3	17	8.5	8	5.6	7	4.7
Agriculture	5	2.5	7	3.2	11	5.4	5	2.8	9	4.5	5	3.5	4	2.7
Finance, insurance and real estate	0	0.0	3	1.3	0	0.0	1	0.5	1	0.5	3	2.1	0	0.0
Forestry	9	4.5	6	2.7	6	2.9	8	4.5	7	3.5	2	1.4	5	3.3
Fishing and trapping	0	0.0	0	0.0	1	0.5	0	0.0	3	1.5	0	0.0	1	0.0
Unknown	1	0.5	5	2.3	0	0.0	0	0.0	1	0.5	0	0.0	0	0.0
Total claims	198	100.0	220	100.0	204	100.0	179	100.0	200	100.0	144	100.0	149	100.0

FINANCIAL STATEMENTS

WORKERS' COMPENSATION BOARD FINANCIAL STATEMENTS

Year Ended December 31, 1986

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WORKERS' COMPENSATION BOARD SUPERANNUATION FUND FINANCIAL STATEMENTS

Year Ended December 31, 1986

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Ontario

OFFICE OF THE PROVINCIAL AUDITOR

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To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheets — Schedule 1 Accident Fund and Schedule 2 of the Workers' Compensation Board as at December 31, 1986 and the statements of income, expenses and unfunded liability — Schedule 1 Accident Fund and of changes in financial position — Schedule 1 Accident Fund and of changes in net deposits — Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances; the estimated present value of future payments to existing Schedule 1 claimants was determined by the Board's Actuary and reviewed by an independent consulting actuary.

In my opinion, based on my examination and the report of the independent consulting actuary, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations and the changes in its financial position and net deposits for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

D. F. Archer

Toronto, Ontario,
May 8, 1987.

D. F. Archer, F.C.A.,
Provincial Auditor.

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the Schedule 1 Accident Fund of the Workers' Compensation Board of Ontario as at December 31, 1986

The estimated present value of future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1986 in the amount of $9.12 billion has been determined by the Board's Staff Actuaries, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 1986. Full provision has been made for potential future increases in the covered earnings ceiling and the level of pensions and temporary compensation resulting from the amendments to the Act contained in Bill 81 by using a net investment return assumption of 3% per annum, on the assumption that investment income in excess of that rate will be required to finance increases in benefits related to inflation.

The present value includes the estimated present value of additional payments resulting from the amendments to the Act contained in Bill 101. Although it was necessary to use a number of approximations in estimating this amount, the effect of these approximations is not material for the purposes of the valuation.

The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

We understand that certain decisions rendered by the Workers' Compensation Appeals Tribunal (WCAT), which came into effect in October 1985, may have the effect of altering the adjudication of Workers' Compensation claims. Such changes in the adjudication of claims could result in a significant increase in the present value of future payments under Schedule 1 on account of accidents which occurred in past years. It is not possible to quantify at this time the potential increase in the present value of future payments, because of the uncertain future resolution of these decisions and the limited amount of available data.

In our opinion, which includes the foregoing comments, the amount of $9.12 billion as at December 31, 1986 makes reasonable provision for future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1986.

Samuel Eckler, F.S.A., F.C.I.A.

David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of
Eckler Partners Ltd.

May 8, 1987.

Balance Sheet — Schedule 1 Accident Fund
December 31, 1986

ASSETS	1986 ($000's)	1985
Cash	$ 6,724	$ 1,457
Investments (Note 3)	2,333,626	1,914,213
Other assets (Note 4)	621,430	563,381
Fixed assets (Note 5)	18,116	16,276
	$ 2,979,896	$ 2,495,327
LIABILITIES		
Accounts payable and accrued charges (Note 6)	$ 63,074	$ 56,129
Estimated present value of future payments to existing Schedule 1 claimants	9,124,000	7,820,000
	9,187,074	7,876,129
Contingent liability (Note 7)		
Unfunded liability	(6,207,178)	(5,380,802)
	$ 2,979,896	$ 2,495,327

Approved by the Board

Chairman

Vice-Chairman of Administration and President

Statement Of Income, Expenses And Unfunded Liability — Schedule 1 Accident Fund
Year Ended December 31, 1986

INCOME	1986 ($000's)	1985
Assessments and penalties (net of uncollectible assessments 1986 – $32,943; 1985 – $27,987)	$ 1,597,038	$ 1,301,121
EXPENSES		
Benefits (Note 8)	1,123,007	987,945
Accident prevention	39,322	35,266
Administration	130,821	113,323
Medical and rehabilitation services	26,690	24,380
Legislated obligations (Note 10)	16,331	6,900
	1,336,171	1,167,814
Excess of income over expenses before investment income	260,867	133,307
Investment income — (Note 9)	216,757	186,366
Excess of income over expenses before provision for increase in estimated present value of future payments to existing Schedule 1 claimants	477,624	319,673
Provision for increase in estimated present value of future payments to existing Schedule 1 claimants	1,304,000	1,130,000
Excess of expenses over income	(826,376)	(810,327)
Unfunded liability, beginning of year	(5,380,802)	(4,570,475)
Unfunded liability, end of year	$(6,207,178)	$(5,380,802)

STATEMENT OF CHANGES IN FINANCIAL POSITION — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

CASH PROVIDED BY OPERATIONS	1986	($000's)	1985
Excess of expenses over income	$ (826,376)		$ (810,327)
Items not requiring an outlay of cash			
Amortization of losses on long-term investments	6,233		6,237
Amortization of discounts on long-term investments	(7,111)		(1,955)
Depreciation and amortization of fixed assets	2,485		2,886
Provision for increase in estimated present value of future payments to existing Schedule 1 claimants	1,304,000		1,130,000
Increase in other assets	(58,049)		(125,860)
Increase in accounts payable and accrued charges	6,945		12,078
	428,127		213,059
CASH USED FOR INVESTING ACTIVITIES			
Increase in investments (excluding amortization of losses and discounts)	(418,535)		(213,584)
Purchase of fixed assets	(4,325)		(637)
	(422,860)		(214,221)
Increase (decrease) in cash	5,267		(1,162)
Cash balance, beginning of year	1,457		2,619
Cash balance, end of year	$ 6,724		$ 1,457

BALANCE SHEET — SCHEDULE 2

December 31, 1986

ASSETS	1986	($000's)	1985
Cash	$ 562		$ 694
Investments	12,065		11,862
Due from Schedule 1	240		—
Interest and other receivables	408		291
	$13,275		$12,847
LIABILITIES			
Due to Schedule 1	$ —		$ 286
Net deposits	13,275		12,561
	$13,275		$12,847

Approved by the Board

Chairman

Vice-Chairman of Administration and President

STATEMENT OF CHANGES IN NET DEPOSITS — SCHEDULE 2

Year Ended December 31, 1986

INCREASE IN DEPOSITS	1986	($000's)	1985
Reimbursements from employers			
Benefits	$ 98,500		$85,583
Administration costs	16,960		12,589
Investment and penalty income	1,945		1,656
Interest income on deposits	105		73
	117,510		99,901
DECREASE IN DEPOSITS			
Benefits to workers			
Compensation	41,596		34,373
Health care	15,027		14,137
Rehabilitation	1,674		1,305
Pensions	39,780		34,416
Administration costs	16,960		12,589
Interest expense on deposits	1,759		1,559
	116,796		98,379
Increase in net deposits	714		1,522
Net deposits, beginning of year	12,561		11,039
Net deposits, end of year	$ 13,275		$12,561

NOTES TO THE FINANCIAL STATEMENTS
December 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments
Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold and 20 years. Short-term investments are carried at cost.

Fixed assets
Fixed assets are stated at cost. Buildings, equipment, leasehold improvements and motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Equipment purchases with a unit cost of $1,000 or less and leasehold improvements with a unit cost of $5,000 or less are expensed.

Assessment income
Assessment income is determined on the basis of provisional payrolls reported by employers. At year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Estimated present value of future payments to existing Schedule 1 claimants
The estimated present value of future payments to existing Schedule 1 claimants is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

2. SCHEDULE 1 AND SCHEDULE 2

Schedule 1 relates to industries where the employers are liable to contribute to the accident fund and Schedule 2 relates to industries where the employers are individually liable to pay compensation, health care, rehabilitation costs and pensions.

3. INVESTMENTS	1986	($000's)	1985
Bonds	$1,560,542		$1,365,500
Mortgages	419,360		398,510
Equities	132,330		—
	2,112,232		1,764,010
Unamortized portion of realized losses, net of gains, on sale of investments	25,397		28,350
	2,137,629		1,792,360
Short-term	195,997		121,853
	$2,333,626		$1,914,213

4. OTHER ASSETS	1986	($000's)	1985
Accrued investment income	$ 45,229		$ 41,269
Accrued assessment income	110,000		150,000
Assessment and other receivables	462,357		367,628
Due from Schedule 2	—		286
Prepaid expenses	3,844		4,198
	$ 621,430		$ 563,381

5. FIXED ASSETS

($000's)

	Cost	Accumulated Depreciation and Amortization	Net Book Value	Depreciation and Amortization Rates
Land	$ 6,754	$ —	$ 6,754	—
Buildings	11,070	6,254	4,816	2½%
Leasehold improvements	4,889	2,486	2,403	10%
Equipment	16,369	13,017	3,352	20%
Motor vehicles	1,717	926	791	25%
	$40,799	$22,683	$18,116	

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

($000's)

	1986	1985
Accounts payable and accrued charges	$35,309	$32,342
Cheques issued and not yet cashed	27,525	23,787
Due to Schedule 2	240	—
	$63,074	$56,129

7. CONTINGENT LIABILITY

Certain decisions rendered by the Workers' Compensation Appeals Tribunal, which came into effect in October 1985, may have the effect of altering the adjudication of workers' compensation claims. Such changes in the adjudication of claims could result in a significant increase in the present value of future payments under Schedule 1 on account of accidents which occurred in past years. It is not possible to quantify at this time the potential increase in the present value of future payments to existing Schedule 1 claimants, because of the uncertain future resolution of these decisions and the limited amount of available data.

8. BENEFIT EXPENSES

($000's)

	1986	1985
Compensation	$ 586,898	$515,204
Health care	148,253	138,970
Rehabilitation	29,959	23,597
Pensions	359,858	312,343
	1,124,968	990,114
Less: recovered from third parties	1,961	2,169
	$1,123,007	$987,945

9. INVESTMENT INCOME

($000's)

	1986	1985
Investment income	$223,518	$193,046
Less		
Amortization of losses, net of gains, on sale of investments	6,233	6,237
Investment administration expenses	528	443
	$216,757	$186,366

10. LEGISLATED OBLIGATIONS

	1986 ($000's)	1985
Occupational Health and Safety Act	$ 6,753	$5,377
Mine rescue	876	781
Workers' Compensation Appeals Tribunal	5,537	627
Workers' and Employers' Adviser	3,165	115
	$16,331	$6,900

11. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements having various expiry dates. The aggregate minimum annual rental under these arrangements for the next five years is as follows:

	($000's)		($000's)
1987	$8,149	1990	$6,519
1988	$7,837	1991	$6,085
1989	$7,411		

12. SUPERANNUATION FUND

The Board has a benefit-based pension plan, the Superannuation Fund, for its employees and employees of the provincial safety associations. The accounts of the Fund are included in separate financial statements. An actuarial valuation as at December 31, 1986 is currently in progress. The most recent triennial actuarial valuation as at December 31, 1983 determined that this Fund was in a surplus position.

13. REMUNERATION OF APPOINTEES

The total remuneration of members of the Board of Directors was $215,114 during the year.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to correspond to the current year's presentation.

ACCIDENT PREVENTION EXPENSES — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

BY CATEGORY	1986 ($000's)	1985
Salaries and employees' benefits	$21,075	$19,246
Travel and vehicle maintenance	2,973	2,850
Supplies and services	666	648
Equipment rental and maintenance	752	653
Depreciation of equipment	288	293
Occupancy costs	2,089	1,754
Security services and insurance	52	63
Communications and publications	9,528	8,006
Other	1,899	1,753
	$39,322	$35,266
BY SAFETY ASSOCIATION/AUTHORITY		
Construction Safety Association of Ontario	$ 8,731	$ 8,112
Electrical Utilities Safety Association of Ontario	1,593	1,394
Forest Products Accident Prevention Association	1,376	1,304
The Farm Safety Association Inc.	915	862
Health Care Occupational Health & Safety Association	1,868	1,633
Industrial Accident Prevention Association	15,427	15,226
Mines Accident Prevention Association of Ontario	2,214	1,997
Ontario Pulp & Paper Makers Safety Association	671	626
Transportation Safety Association of Ontario	1,235	1,101
Occupational Health and Safety Education Authority	5,292	3,011
	$39,322	$35,266

ADMINISTRATION EXPENSES — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

	1986 ($000's)	1985
Salaries and employees' benefits	$125,214	$107,757
Travel and vehicle maintenance	3,827	2,974
Supplies and services	3,194	3,482
Equipment rental and maintenance	13,900	8,978
Depreciation of equipment	419	1,964
Occupancy costs – net	10,678	9,740
Security services and insurance	1,272	721
Data processing costs	2,542	1,940
Communications and publications	9,212	9,650
Chest examining station costs	943	882
Credit reports and legal expenses	787	816
Professional fees and services	1,147	770
Other	3,422	2,587
	176,557	152,261
Less administration expenses charged to:		
Investment income	528	443
Downsview Rehabilitation Centre (included in Health care expenses - Note 8)	1,558	1,526
Medical and rehabilitation services	26,690	24,380
Schedule 2	16,960	12,589
	45,736	38,938
Net charge to statement of income, expenses and unfunded liability – Schedule 1 Accident Fund	$130,821	$113,323

Ontario

OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas St. West
Toronto, Ontario M5G 2C2
(416) 974-9866

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of the Workers' Compensation Board Superannuation Fund as at December 31, 1986 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
May 8, 1987.

D. F. Archer, F.C.A.,
Provincial Auditor.

Balance Sheet — Superannuation Fund

December 31, 1986

ASSETS	1986	(Stirlings) 1985
Cash	$ 257	$ 268
Investments (Note 3)	198,020	175,418
Investment income receivable	3,831	3,180
Accounts receivable	164	276
	$202,272	$179,142
LIABILITY AND FUND BALANCE		
Accounts payable and accrued charges	$ 572	$ 285
Fund balance	201,700	178,857
	$202,272	$179,142

Approved by the Board

Chairman

Vice-Chairman of Administration and President

Statement Of Transactions And Fund Balance — Superannuation Fund

Year Ended December 31, 1986

CONTRIBUTIONS RECEIVED FROM	1986	(Stirlings) 1985
The Board and the Safety Associations	$ 5,586	$ 4,928
The employees of the Board and the Safety Associations	4,992	4,628
	10,578	9,556
INVESTMENT INCOME	19,406	16,330
	29,984	25,886
DEDUCT		
Pensions paid	6,169	5,089
Contributions plus interest refunded to staff	972	806
	7,141	5,895
Increase in the fund for the year	22,843	19,991
Fund balance, beginning of year	178,857	158,866
Fund balance, end of year (Note 4)	$201,700	$178,857

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, and cost for mortgages, equities and short-term paper.

Gains or losses realized on the sale of investments are included in investment income on the statement of transactions and fund balance.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

(a) Investments — at the rates of exchange prevailing when the investments were acquired.
(b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workers' Compensation Board and employees of the provincial Safety Associations.

3. INVESTMENTS

	1986 ($000's)		1985	
	Cost	Market Value	Cost	Market Value
Bonds	$ 97,738	$104,564	$ 82,430	$ 88,363
Mortgages	29,794	29,794	29,247	29,247
Equities	67,459	116,536	61,544	100,747
	194,991	250,894	173,221	218,357
Short-term	3,029	3,029	2,197	2,197
	$198,020	$253,923	$175,418	$220,554

4. ACTUARIAL VALUATION

The actuarial valuation for December 31, 1986 is in progress but not yet finalized.

The most recent triennial actuarial valuation as at December 31, 1983 determined that the Fund was in a surplus position.

WORKERS' COMPENSATION BOARD

CORPORATE DIRECTORY 1986

BOARD OF DIRECTORS

Robert G. Elgie, M.D., Q.C., F.R.C.S.(C)
Chairman of the Board

Alan D. Wolfson, Ph.D.
Vice-Chairman of Administration and President, Workers' Compensation Board

Charles "Bud" Clark*
Canadian Director, Amalgamated Clothing and Textile Workers Union

E. Gérard Docquier
National Director for Canada, United Steelworkers of America

Joseph Duffy
Business Manager and Secretary-Treasurer, Provincial Building and Construction Trades Council of Ontario

Stephen S. Hessian
Resident Manager, Domtar Inc. Packaging Containerboard Division

Silvia Mecozzi, Ph.D.
Social Worker

Douglas D. Peters, Ph.D.
Senior Vice-President and Chief Economist, Toronto Dominion Bank

The Honourable Robert Stanbury, P.C., Q.C.
Chairman and Chief Executive Officer, Globescope Inc.

Clara Wiborg de Carvalho
Family Support Worker and Counsellor

Ex Officio Member:
S. Ronald Ellis, Q.C.
Chairman, Workers' Compensation Appeals Tribunal

OFFICERS

Robert G. Elgie, M.D.
Chairman

Alan D. Wolfson**
Vice-Chairman of Administration and President

Alan G. MacDonald**
Vice-Chairman of Administration and President

Robert D. Reilly
Vice-President, Client Services Division

Elizabeth A. Kaegi, M.D.***
Vice-President, Policy and Specialized Services Division

Sam Van Clieaf
Acting Vice-President, Corporate Services Division

* *Deceased December 6, 1986.*
** *Alan Wolfson assumed the position of Vice-Chairman of Administration and President in September 1986, on the retirement of Alan G. MacDonald.*
*** *Dr. Kaegi was a member of the WCB's Board of Directors until June 1986, when she assumed the position of Vice-President, Policy and Specialized Services Division.*